

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

June 8, 2001

IN RE:)	
)	
APPLICATION OF GE CAPITAL SERVICES)	DOCKET NO.
CORPORATION AND GE CAPITAL)	01-00322
TELEMANAGEMENT SERVICES CORPORATION FOR)	
AUTHORITY TO REORGANIZE AND FOR APPROVAL)	
OF RELATED TRANSACTIONS)	

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before the Tennessee Regulatory Authority (the "Authority") at the regularly scheduled Authority Conference held on May 1, 2001 for consideration of the Application (the "Application") of GE Capital Communication Services Corporation ("GECCS") and GE Capital Telemanagement Services Corporation ("GECTS"), pursuant to the provisions of Tenn. Code Ann. § 65-4-113, for approval of a transfer of authority to provide utility services.

Requirement of and Standards for Authority Approval

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

(a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Application

The Application was filed on April 1, 2001. In their Application, GECCS and GECTS request that the Authority approve, pursuant to Tenn. Code Ann. § 65-4-113, the merger of GECCS with and into its subsidiary, GECTS. Following the merger, GECTS will be the surviving entity, and the reseller certification currently held by GECC will be transferred to GECTS. Immediately after the transaction, GECTS will change its name to GE Business Productivity Solutions, Inc. (“GEBPS”).

The Application states that GECCS is a Georgia corporation with its principal offices in Atlanta, Georgia. GECCS is a wholly owned subsidiary of General Electric Capital Corporation, which is a wholly owned subsidiary of General Electric Capital Services, Inc., which is a wholly owned subsidiary of General Electric Company. GECCS is authorized to provide resold local telecommunications services in eleven states, including Tennessee, and currently provides local service in Connecticut and Massachusetts. GECCS also has an international Section 214 authorization from the Federal Communications Commission to provide international resold switched services. GECCS was granted authority to provide resold long distance services in Tennessee on October 13, 1995 in Tennessee Public Service Commission Docket No. 95-03180 and was granted authority to provide resold local service on October 10, 1996 in Authority Docket No. 96-01430. According to the Application, GECTS is also a Georgia corporation and is a wholly-owned subsidiary of GECCS. GECTS is qualified to conduct business in Tennessee but is not currently authorized to provide telecommunications services in any state.

As explained in the Application, GECCS and GECTS are managed by essentially the same team of telecommunications personnel, so day-to-day operations following the proposed merger will continue to function as they have in the past. In addition, after the transaction, GEBPS will continue to do business as GECCS for all of its residential customers. GECCS's customers will continue to receive the same services at the same rates, terms and conditions as are currently available. The transaction will be transparent to residential customers, and business customers will see only a partial name change.

The Application states that the proposed transaction will simplify the affected companies' corporate structure, eliminating administrative redundancy and improving their overall efficiency, thereby enhancing GEBPS's ability to compete in Tennessee and elsewhere. The Application further states that consumers in Tennessee will benefit from having a greater number of product and service options as well as more efficient prices.

Findings

The Directors of the Authority considered this matter at the May 1, 2001 Authority Conference. Based upon careful consideration of the Application, the Authority finds and concludes as follows:

1. The Authority has jurisdiction over the subject matter of this Application pursuant to Tenn. Code Ann. § 65-4-113;
2. GECCS has been granted authority to provide telecommunication services in Tennessee;
3. GECCS will merge with and into its subsidiary, GECTS, GECTS will be the surviving entity, and the reseller certification currently held by GECCS will be transferred to GECTS, resulting in a transfer of the authority to provide utility services granted to GECCS;

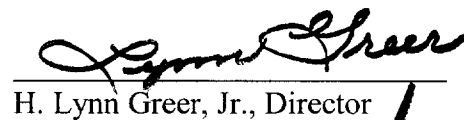
4. Approval of the transfer of authority is appropriate pursuant to the provisions of Tenn. Code Ann. § 65-4-113.

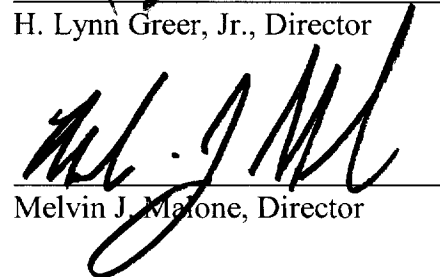
IT IS THEREFORE ORDERED THAT:

1. The Application of GE Capital Communication Services Corporation and GE Capital Telemanagement Services Corporation for approval of the transfer of authority described herein is approved; and


2. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from and after the date of this Order.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary